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July 31, 2002

BY HAND DELIVERY

Federal Communications Commission
Wireline Competition Bureau
PO Box 358145
Pittsburgh, PA 15251-5145

02-229

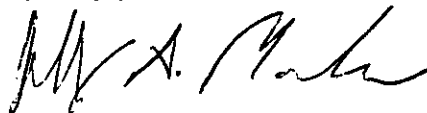
Re: Birch Telecom, Inc., Debtor-in-Possession, and Birch Telecom, Inc.,
Application for Authority Pursuant to Section 214 of the Communications Act of
1934, for Consent to Transfer Control of Domestic Section 214 Authority

Ladies and Gentlemen:

Enclosed on behalf of Birch Telecom, Inc., Debtor-in-Possession, and Birch Telecom, Inc. are an original and six copies of the Application in the above captioned matter. Also enclosed is a Remittance Advice (FCC Form 159) and a check made payable to the Federal Communications Commission in the amount of \$815.00 to cover the required fee.

Please stamp and return to me the additional copy provided for that purpose. If you have any questions regarding this matter, please contact me at (202) 637-2120.

Very truly yours,



Jeffrey A. Marks

Enclosures

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

Approved by OMB

3060-0589

Page No **1** of **1**

(1) LOCKBOX #

358145

SPECIAL USE

FCC USE ONLY

SECTION A - PAYER INFORMATION

(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card)

Birch Telecom, Inc., as Debtor-in-Possession

(3) TOTAL AMOUNT PAID (U.S. Dollars and cents)

\$815.00

(4) STREET ADDRESS LINE NO. 1

2020 Baltimore Avenue

(5) STREET ADDRESS LINE NO. 2

(6) CITY

Kansas City

(7) STATE

MO

(8) ZIP CODE

64108

(9) DAYTIME TELEPHONE NUMBER (include area code)

(10) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(11) PAYER (FRN)

0007474471

(12) PAYER (TIN)

431766929

IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)

(13) APPLICANT NAME

(14) STREET ADDRESS LINE NO. 1

(15) STREET ADDRESS LINE NO. 2

(16) CITY

(17) STATE

(18) ZIP CODE

(19) DAYTIME TELEPHONE NUMBER (include area code)

(20) COUNTRY CODE (if not in U.S.A.)

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(21) APPLICANT (FRN)

(22) APPLICANT (TIN)

COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET

(23A) CALL SIGN/OTHER ID

(24A) PAYMENT TYPE CODE

(25A) QUANTITY

CUT

1

(26A) FEE DUE FOR (PTC)

\$815.00

(27A) TOTAL FEE

\$815.00

FCC USE ONLY

(28A) FCC CODE 1

(29A) FCC CODE 2

(23B) CALL SIGN/OTHER ID

(24B) PAYMENT TYPE CODE

(25B) QUANTITY

(26B) FEE DUE FOR (PTC)

(27B) TOTAL FEE

FCC USE ONLY

(28B) FCC CODE 1

(29B) FCC CODE 2

SECTION D - CERTIFICATION

(30) CERTIFICATION STATEMENT

I, _____, certify under penalty of perjury that the foregoing and supporting information is true and correct to
the best of my knowledge, information and belief. SIGNATURE _____ DATE _____

SECTION E - CREDIT CARD PAYMENT INFORMATION

(31)

MASTERCARD/VISA ACCOUNT NUMBER:

EXPIRATION

☐ MASTERCARD

☐ VISA

I hereby authorize the FCC to charge my VISA or MASTERCARD for the service(s)/authorization herein described.

SIGNATURE _____

DATE _____

Before the
Federal Communications Commission
Washington, D.C. 20554

FCC/MELLON

JUL 31 2002

In the Matter of)

BIRCH TELECOM, INC.)

Application for Authority Pursuant to Section)
214 of the Communications Act of 1934,)
for Consent to Transfer Control of Domestic)
Section 214 Authority)

File No. _____

APPLICATION FOR AUTHORITY TO TRANSFER CONTROL

Birch Telecom, Inc., Debtor-in-Possession ("Birch DIP"), and Birch Telecom, Inc. ("Birch")¹ (collectively, "Applicants"), pursuant to section 214 of the Communications Act of 1934, as amended ("the Act")² and Section 63.01 of the Commission's rules,³ hereby request authority to transfer control of Birch DIP, and indirect control of the Section 214 authority held by Birch DIP's operating subsidiaries,⁴ to Birch.

¹ For convenience purposes, the name "Birch" refers to Birch Telecom, Inc. prior to the *pro forma* transfer of control to Birch DIP as well as after transfer of control from Birch DIP out of bankruptcy.

² 47 U.S.C. § 214

³ 47 C.F.R. § 63.01; see *In the Matter of Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, 17 FCC Rcd 5517 (2002) (the "Streamlining Order").

⁴ On July 29, 2002, Birch and all of its subsidiaries filed for bankruptcy protection simultaneously in the U.S. Bankruptcy Court for the District of Delaware. The following subsidiaries of Birch DIP are certificated to provide telecommunications services: American Local Telecommunications, L.L.C. (Texas); Birch Telecom of the Great Lakes, Inc. (Illinois, Indiana, Michigan, Ohio, Wisconsin); Birch Telecom of Kansas, Inc. (Kansas); Birch Telecom of Missouri, Inc. (Missouri); Birch Telecom of Oklahoma, Inc. (Oklahoma); Birch Telecom of the South, Inc. (Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee); and Birch Telecom of Texas Ltd., L.L.P. (Texas). Each of these subsidiaries are wholly owned by Birch, with the exception of Birch Telecom of Texas, Ltd., L.L.P., of which Birch is a Limited Partner with a 99 percent interest,

Applicants demonstrate herein that the new streamlined procedures presumptively apply to this transaction under section 63.03(b)(2)(i); and, in the alternative, respectfully submit that streamlined processing is appropriate for this Application under the Commission's "case-by-case approach."⁵ Therefore, the Applicants request that the Commission calendar this application on the 31st day after the date of Public Notice of the Application, in accordance with new Section 63.03(a) of the Commission's rules.

As described below, the Applicants have elected to commence a chapter 11 case under the Bankruptcy Code. Upon the filing of its bankruptcy case, control of Birch shifted from BTI Ventures, LLC ("BTI") (a wholly owned subsidiary of the investment firm Kohlberg, Kravis, Roberts & Co. ("KKR")) to Birch DIP.⁶ In conjunction with its bankruptcy filing, Birch DIP proposed a plan of reorganization (the "Reorganization Plan"), for which Birch DIP has solicited and received sufficient votes from its current its senior lenders and senior note holders to enable the Reorganization Plan to be confirmed by the U.S. Bankruptcy Court for the District of Delaware. Pursuant to the Reorganization Plan, BTI will forfeit both *de jure* and *de facto* control of Birch DIP, and the shareholders generally of Birch will assume control of the company. Birch does not anticipate any adverse effect on its customers as a result of the reorganization, including any change to its rates and quality of service.

In support of this Application, and in compliance with new section 63.04(a) of the Commission's rules, the Applicants submit the following information:

and Birch Texas Holdings, Inc. is the General Partner with a 1 percent interest. As used in this application, "Birch" or "Birch DIP" refers to both these entities and the certificated subsidiaries listed in this footnote.

⁵ *Streamlining Order*, at ¶ 34.

⁶ On July 30, 2002, Birch, as Debtor-in-Possession, submitted notification to the Commission of the *pro forma* transfer of control as required under new Section 63.03(d) of the Commission's rules.

(1) Applicant Information

Name: Birch Telecom, Inc. (Transferee)
Address: 2020 Baltimore Avenue
Kansas City, MO 64108
Telephone: (816) 300-3000

Name: Birch Telecom, Inc., Debtor-In-Possession (Transferor)
Address: 2020 Baltimore Avenue
Kansas City, MO 64108
Telephone: (816) 300-3000

(2) State of Incorporation

The Applicants are organized under the laws of the state of Delaware.⁷

(3) Contact Information

Correspondence concerning this application should be sent to:

Name: Richard R. Cameron
Latham & Watkins
Address: 555 Eleventh Street N.W., Suite 1000
Washington, D.C. 20004-1304
Telephone: (202) 637-2200

(4) Shareholder Owning Ten Percent or More of Birch DIP's Equity and the Percentage Equity Owned (to the Nearest One Percent)

Name: BTI Ventures, LLC
Address: c/o Kohlberg, Kravis, Roberts & Co.
9 West 57th Street, 42nd Floor
New York, NY 10019
Citizenship: United States
Principal Business: Investments
Percentage of Equity: 90 percent

⁷ The Birch DIP operating companies that are certificated to provide telecommunications services are organized in the following states: Birch Telecom of Kansas, Inc. (Kansas), Birch Telecom of Missouri, Inc. (Delaware), Birch Telecom of Texas Ltd., L.L.P. (Texas), Birch American Local Telecommunications, LLC (Texas), Birch Telecom of Oklahoma, Inc. (Delaware), Birch Telecom of the Great Lakes, Inc. (Delaware), and Birch Telecom of the South, Inc. (Delaware).

Shareholders Owning Ten Percent or More of Birch's Equity Post-Restructure and the Percentage Equity Owned (to the Nearest One Percent)⁸

Name: LB 1 Group, Inc., a subsidiary of Lehman Brothers, Inc.
Address: 745 7th Avenue, 16th Floor
New York, NY 10019-6801
Citizenship: United States
Principal Business: Investments
Percentage of Equity: 25 percent

Name: Bear Stearns Corporate Lending, Inc
Address: 383 Madison Avenue 8th Floor
New York, NY 10179
Citizenship: United States
Principal Business: Investments
Percentage of Equity: 10 percent

(5) Anti-Drug Abuse Act Certification

Birch and Birch DIP certify that no party to this application is subject to denial of federal benefits subject to Section 5301 of the Anti-Drug Abuse Act of 1988.

(6) Description of the Transaction

BTI Ventures, LLC ("BTI") currently owns approximately 90 percent of the shares of outstanding capital stock in Birch DIP. BTI also controls a majority of Birch DIP's board of directors. Upon implementation of the Reorganization Plan, unless it elects to participate in the Equity Offer, BTI's equity share will be reduced to approximately zero,⁹ and no

⁸ The ownership percentages stated herein assume that no shares of common stock will be issued to holders of Birch's 14 percent Senior Notes due 2008 and preferred stock pursuant to the equity offer (the "Equity Offer") to be made to such holders pursuant to the Reorganization Plan and do not account for the issuance of any equity to Birch's management or employees pursuant to the Birch Telecom, Inc. 2002 Equity Incentive Plan to be adopted by Birch under the terms of the Plan. In the event that shares are sold in the Equity Offer or 2002 Equity Incentive Plan, the percentage ownership by each investment bank in Birch would fall to some degree, although certain banks may mitigate this dilution through participation in the Equity Offer. The possible issuance of new equity, however, will not affect ultimate control post-restructuring; control of Birch will vest in the shareholders generally, with no individual shareholder having *de jure* or *de facto* control.

⁹ See *id.*

single shareholder will own a majority of the voting stock of Birch. Furthermore, following the Reorganization Plan, it is anticipated that BTI will no longer control any seats on the board of directors, and no single shareholder, nor group of shareholders as parties to a voting agreement, will be vested with the power to elect a majority of the board.

Specifically, upon completion of the Reorganization Plan, approximately 100 percent¹⁰ of Birch's capital stock will be owned by a diffuse group of investment banks. The investment banks to own five percent or greater equity in Birch, and their approximate post-restructuring equity share (rounded to the nearest 1 percent) are as follows: LB 1 Group, Inc. (25 percent), Bear Stearns Corporate Lending, Inc. (10 percent), Bank of America, N.A. (8 percent), Banker's Trust Company (8 percent), and LT Holdco I, L.L.C. (8 percent), Fleet National Bank (6 percent), IBM Credit Corporation (6 percent), Morgan Stanley Dean Witter Investment (5 percent), and Lehman Brothers (5 percent). The remainder of Birch will be owned in varying amounts by holders of Birch's 14 percent Senior Notes due 2008, existing management and, if they elect to purchase shares of Birch's common stock pursuant to the terms the Equity Offer, holders of Birch's existing preferred stock. As no single shareholder will possess *de jure* or *de facto* control of Birch, control will rest in the shareholders generally of Birch. A corporate organization chart, which will remain unchanged pre- and post-restructuring, is attached at Exhibit A. A chart depicting the ownership of Birch pre- and post-restructuring is attached at Exhibit B.

Birch DIP has elected to commence a chapter 11 case under the federal Bankruptcy Code. In conjunction with its bankruptcy filing, Birch DIP has proposed a prepackaged chapter 11 plan of reorganization. In order to secure acceptance of the

¹⁰ See *supra*, note 8.

Reorganization Plan in bankruptcy, Birch DIP solicited and received sufficient votes to enable it to be confirmed by the U.S. Bankruptcy Court.

The Reorganization Plan provides for a major restructuring of Birch DIP's financial obligations and capital structure. The result of the restructuring will be a reorganized company with a significant reduction in outstanding debt, which the Applicants believe is necessary to permit it to compete effectively in today's economic environment. The Reorganization Plan will eliminate approximately \$99 million of senior secured indebtedness and \$133.8 million of senior unsecured indebtedness. Following the Reorganization Plan, Birch will have no long-term debt other than debt under a New Senior Credit Facility in the amount of \$100 million and approximately \$3.9 million in other long-term debt and capital leases.

The Reorganization Plan also provides for the issuance of new Birch common stock to the company's current senior lenders and its note holders in return for the elimination of approximately \$98 million of debt under the Senior Credit Facility and the satisfaction and retirement of Birch's 14 percent Senior Notes due in 2008. Pursuant to the Reorganization Plan, the senior lenders will receive 2,400,000 shares of new Birch Common Stock, and the note holders will receive 600,000 shares of new Birch Common Stock. The Reorganization Plan also provides for the Equity Offer pursuant to which 600,000 shares of new Birch Common Stock may be sold to the holders of Birch's 14 percent Senior Notes due 2008 and current holders of Birch DIP's preferred stock.

(7) Telecommunications Services Offered and Geographic Coverage

BTI, the controlling party prior to the *pro forma* transfer of control to Birch DIP, does not provide telecommunications services, but its affiliates, NewSouth Communications ("NewSouth") and Birch DIP do. NSHI Ventures, LLC, a wholly owned subsidiary of KKR, has

an approximately 55 percent equity ownership interest in NewSouth. Because KKR wholly owns both BTI and NSHI Ventures, LLC, NewSouth is an affiliate of Birch DIP. New South offers domestic competitive local long distance telecommunications services throughout the areas served by BellSouth: North Carolina, South Carolina, Georgia, Florida, Alabama, Tennessee, Louisiana, Kentucky, and Mississippi. It is anticipated that, post-restructuring, Birch will no longer be affiliated with NewSouth.

Birch DIP's operating subsidiaries¹⁰ currently provide domestic local and long distance telecommunications services for residential as well as small and mid-sized business customers in Alabama, Georgia, Kansas, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee and Texas. Post-restructuring, it is anticipated that no affiliate of Birch (other than the Birch operating subsidiaries discussed herein) will provide (or themselves be affiliates of a company that provides) domestic telecommunications services.

(8) Request for Streamlined Treatment

The Applicants respectfully submit that the transaction proposed herein is presumptively eligible for streamlined treatment in accordance with section 63.03 of the Commission's rules because: (1) the Applicants are not dominant with respect to any telecommunications services offered; (2) the proposed transaction would result in the transferee having a market share in the interstate, interexchange market of less than 10 percent; and (3) the transferee would provide competitive telephone exchange services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction.

First, Birch DIP is not dominant with respect to any service. Birch DIP offers competitive telecommunications services for small and mid-sized businesses in the Midwest and

¹⁰ The certificated subsidiaries of Birch DIP that currently offer telecommunications services are listed in footnote 4.

Southeastern United States, and it is subject to substantial competition in all markets in which it operates.¹² As discussed above, control of Birch DIP will not be transferred to a single entity; rather a diffuse group of shareholders will assume control of Birch DIP following the transaction. Upon grant of this Application, no 10 percent or greater shareholder of Birch (or their affiliates), will be dominant with respect to any telecommunications service. Second, neither Birch nor the shareholders of the reorganized company will have a market share in the interstate, interexchange market of 10 percent or more. Third, Birch has provided and will continue to provide competitive telephone exchange services only in geographic areas serviced by a dominant local exchange carriers, such as Bell South and Southwestern Bell.

Further, notwithstanding the Commission's presumptive categories, streamlined treatment would otherwise be appropriate for this Application. In its *Streamlining Order*, the Commission stated that presumptive streamlined treatment is appropriate for transactions such as that proposed by the Applicants, "involving domestic, interstate carriers that are not dominant in the provision of any service where their combined post-transaction market presence is unlikely to raise public interest concerns."¹³ Indeed, this transaction will benefit the public interest by allowing Birch to continue as a competitor in the telecommunications market. Thus, the Applicants respectfully request that the Commission apply streamlined treatment to this Application.

¹² Although it is authorized to provide service in nineteen states, Birch DIP currently provides local and long-distance telephone service in the following nine states: Alabama, Georgia, Kansas, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee and Texas. The company also offers Internet access, Web hosting and telephone system equipment to businesses in many major metro areas.

¹³ See *Streamlining Order*, at ¶ 30.

(9) Related Applications Before the Commission

There are no other applications related to this transaction currently before the Commission.

(10) Special Consideration Due to Imminent Business Failure

Through the proposed Reorganization Plan, Birch DIP proposes a major restructuring of its financial obligations and capital structure, which is critical to its continuation as a viable enterprise. As such, Applicants request expeditious processing of this Application to permit the proposed Reorganization Plan to be completed as rapidly as possible in order to allow Applicants to emerge from bankruptcy.

(11) Separately Filed Waiver Transactions

No separately filed waiver requests are being sought in conjunction with the transaction.

(12) Public Interest Statement

Approval of the Reorganization Plan will benefit the public interest, convenience, and necessity. The Reorganization Plan proposed by the Applicants is essential to the ongoing success of Birch. By eliminating its current obligations under its outstanding notes, refinancing its senior credit facility and converting its outstanding preferred stock, Birch's financial condition and overall creditworthiness will improve, thereby enhancing its ability to make the necessary expenditures to continue to compete effectively in the telecommunications market.

The transaction will foster greater competition in the provision of local telecommunications service, one of the central goals of the Act. The Commission has consistently held that the public interest is served if a proposed transaction would increase competition among market participants. *See, e.g., In-Flight Phone Corp. for Transfer of Control to MCI Telecommunications Corp., Declaratory Ruling and Order*, 10 FCC Rcd 10448 (1995);

Execuline of Sacramento, Inc. Transferor, and American Sharecom, Inc. Transferee,
Memorandum Opinion and Order, 6 FCC Rcd 5964 (1991).

One of the primary purposes of the Act is to eliminate barriers to competition in the local telecommunications market. Following passage of the Act, many companies emerged as competitors to the incumbent local exchange carriers ("ILECs"). Due to the recent economic downturn of the financial markets and the general slowing of the economy, however, financing for competitive local exchange carriers ("CLECs") has dropped significantly from previous levels. The result of these financial difficulties has been that many CLECs have failed within the last year, resulting in fewer competitors in local markets. Many companies have declared bankruptcy and have been forced to sell their assets at significant losses.

Consummation of the Reorganization Plan will allow Birch to continue as a viable enterprise by facilitating its emergence from bankruptcy and allowing it to reestablish itself as a fierce competitor in the telecommunications marketplace. Thus, the proposed transfer of control will enhance Birch's ability to compete by providing it with the sound financial condition to support its proposed business plan and to expand its operations.

The Applicants anticipate no adverse impact on service to any of the customers of Birch DIP as a result of this reorganization. Birch plans no change to the company's name. Service to Birch's customers will not be interrupted as a result of the bankruptcy filings. Birch does not anticipate any changes to rates or quality of service. Indeed, this transaction is essential to the preservation of Birch's core business and will permit the company to continue bringing quality service to its customer base. The proposed transaction will also have no adverse impact on competition in the local, long distance or broadband services markets in the United States as no competitor in the market will be eliminated as the result of this transaction.


Finally, Birch has the indicia of a company likely to excel upon completion of the Reorganization Plan. It has a sound business plan that is being executed by a strong operating team. The Reorganization Plan will strengthen its balance sheet and reduce its debt, freeing up funds for use in continued operations and further development of its telecommunications services. Consumers will benefit from the Reorganization Plan and resulting transfer of control through continued and enhanced choice among telecommunications providers.

CONCLUSION

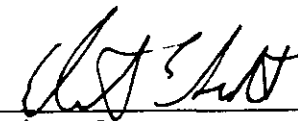
For the reasons stated above, the Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by grant of this Application pursuant to the streamlined processing procedures set forth in new Section 63.03 of the Commission's rules.

Respectfully Submitted,

**BIRCH TELECOM, INC., DEBTOR IN
POSSESSION**

By: 
David E. Scott
President

BIRCH TELECOM, INC.

By: 
David E. Scott
President

Dated: July 30, 2002

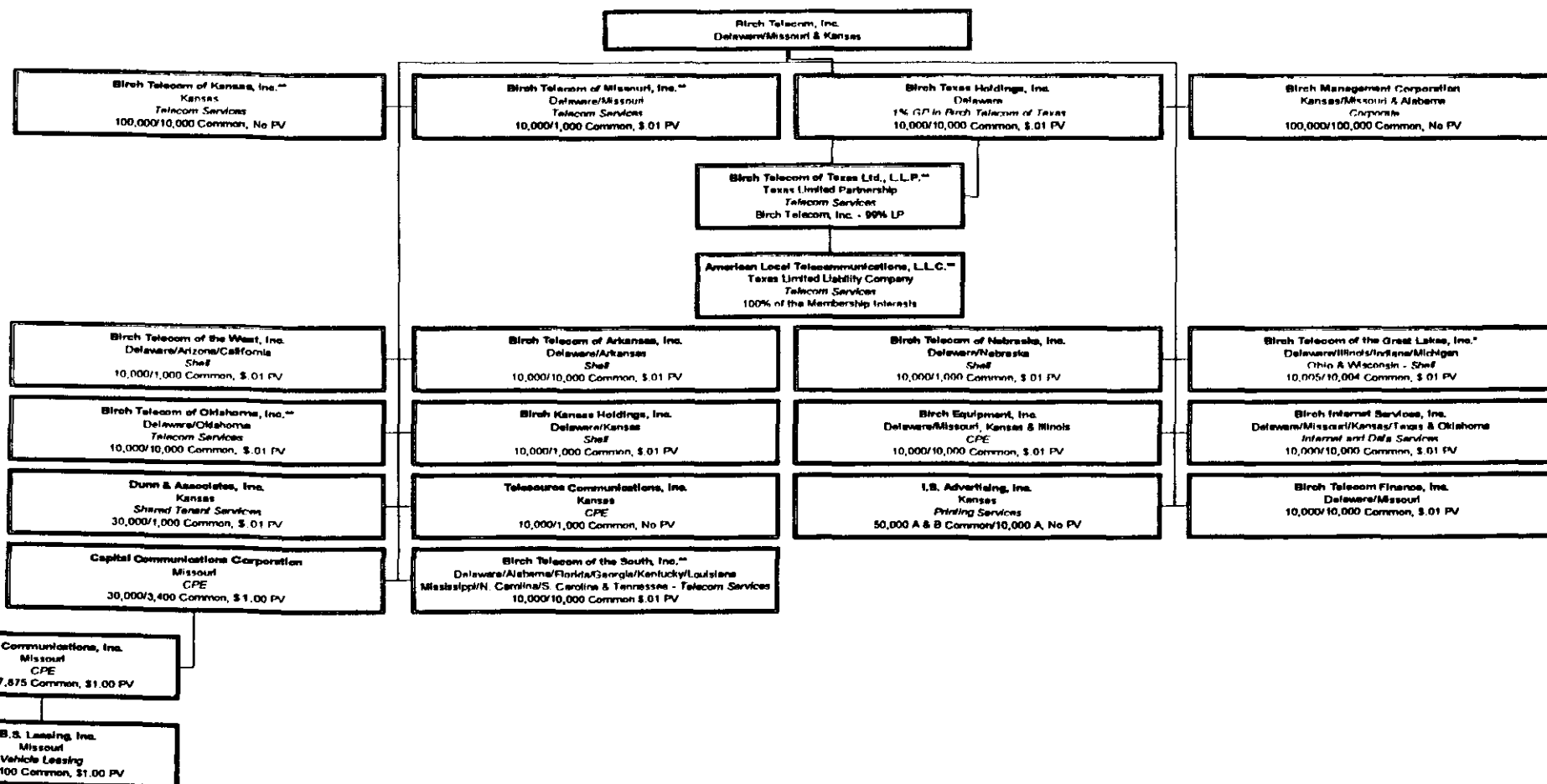
EXHIBIT A

**CORPORATE ORGANIZATION CHART
(TO REMAIN UNCHANGED PRE AND POST-RESTRUCTURING)**

Birch Corporate Organization Chart

All Direct Wholly Owned Subsidiaries of Birch Telecom, Inc., Except for the Following Indirect Wholly Owned Subsidiaries:
Birch Telecom of Texas Ltd., L.L.P., American Local Telecommunications, L.L.C., G.B.S. Communications, Inc., and M.B.S. Leasing, Inc.

Name
State of Organization/Foreign Qualification
Function
Authorized/Issued Capital/Par Value



* Entities that hold certificates of authority from by state public utility commissions to provide telecommunications service but that do not currently provide service.

**Entities that hold certificates of authority from by state public utility commissions to provide telecommunications service and that are providing service.

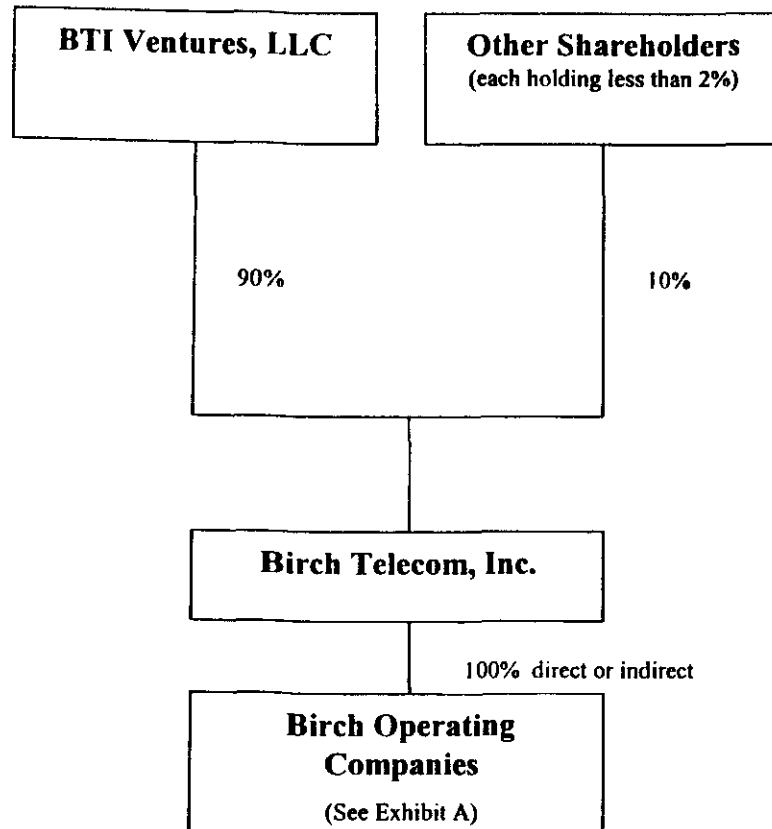
EXHIBIT B

ILLUSTRATIVE CHART PRE- AND POST-RESTRUCTURING

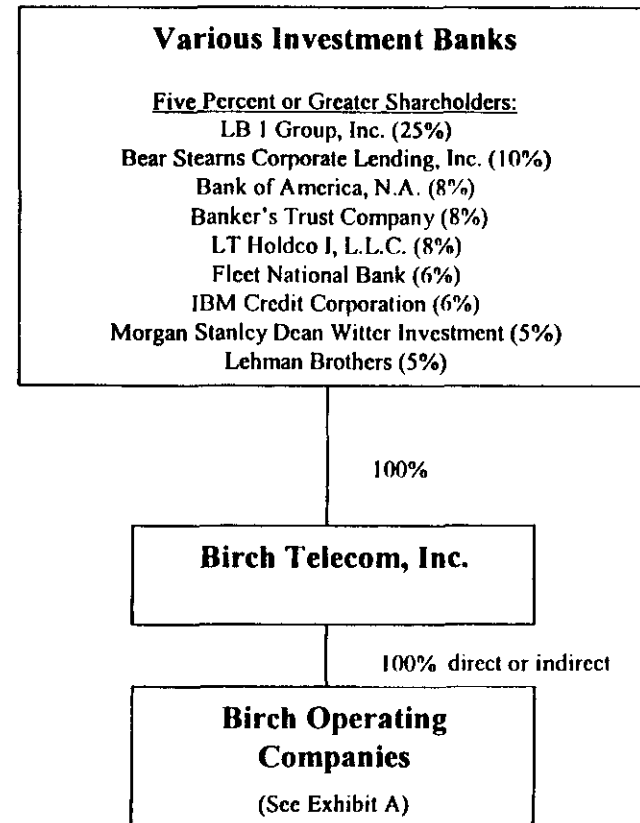
ILLUSTRATIVE CHART PRE- AND POST-RESTRUCTURING

(Ownership Shares Rounded to the Nearest 1%)

PRE-RESTRUCTURING



POST-RESTRUCTURING



*The ownership percentages stated herein assume that no shares of common stock will be issued to holders of Birch Telecom, Inc.'s ("Birch's") 14 percent Senior Notes due 2008 and preferred stock pursuant to the equity offer (the "Equity Offer") to be made to such holders pursuant to the Reorganization Plan and do not account for the issuance of any equity to Birch's management or employees pursuant to the Birch Telecom, Inc. 2002 Equity Incentive Plan to be adopted by Birch under the terms of the Reorganization Plan. Shares sold in the Equity Offer or 2002 Equity Incentive Plan, will dilute the percentage ownership of each investment bank in Birch, although certain banks may mitigate this dilution through participation in the Equity Offer. The possible issuance of new equity, however, will not affect ultimate control post-restructuring; control of Birch will vest in the shareholders generally, with no individual shareholder having *de jure* or *de facto* control.

VERIFICATIONS OF APPLICANT

TRANSFEROR

On behalf of Birch Telecom, Inc., Debtor-in-Possession, I hereby certify under penalty of perjury that the statements in the foregoing Application for Authority Pursuant to Section 214 of the Communications Act of 1934, for Consent to Transfer Control of Domestic Section 214 Authority are true, complete, and correct to the best of my knowledge and are made in good faith.



David E. Scott
President
Birch Telecom, Inc., Debtor-in-Possession
Tel: (816) 300-3000
Fax: (816) 300-3247
E-mail: dscott@birch.com

Dated: July 30, 2002

VERIFICATIONS OF APPLICANT

TRANSFeree

On behalf of Birch Telecom, Inc., I hereby certify under penalty of perjury that the statements in the foregoing Application for Authority Pursuant to Section 214 of the Communications Act of 1934, for Consent to Transfer Control of Domestic Section 214 Authority are true, complete, and correct to the best of my knowledge and are made in good faith.



David E. Scott
President
Birch Telecom, Inc.
Tel: (816) 300-3000
Fax: (816) 300-3247
E-mail: dscott@birch.com

Dated: July 30, 2002